

Medicare Drug Benefit: What You Need to Know

- 1. How will the new drug benefit work?** If you have Medicare, you can get new prescription drug coverage beginning January 2006 in one of two ways:

 - 1. A prescription drug plan (PDP),** from a private company. You will continue to get coverage for your other medical services (such as doctor visits and hospital stays) through Original Medicare.
 - 2. A Medicare private plan,** like an HMO or PPO, that offers medical and hospital benefits in addition to drug coverage.

You can enroll between November 15, 2005 and May 15, 2006 and change plans once a year between November 15 and December 31.
- 2. Will all my drugs be covered?** Each drug plan will have its own list of covered drugs (called a formulary). You will have to pay the full cost of drugs not on the formulary and about 25 percent of the cost of other drugs. You must also fill your prescription at a pharmacy in your plan's network.
- 3. How much will I pay for drug coverage?** You will pay a monthly premium, annual deductible and coinsurance, all of which may vary by plan. After you spend a maximum amount out of pocket (\$3,600 in 2006), you will only have to pay five percent of the cost of each covered prescription you fill. **If your income is low,** you can get extra help paying for these costs (see reverse).
- 4. Do I have to get the Medicare prescription drug benefit?** **No,** but unless you have drug coverage that is at least as good as Medicare's (your current drug plan will let you know) you need to enroll between November 15, 2005 and May 15, 2006 to avoid a **premium penalty** for late enrollment.

If you do not have drug coverage, you should consider enrolling in the Medicare drug benefit. Like all insurance, the new drug benefit may cost more than you save at first, but it will protect you if your drug costs suddenly go up a lot.
- 5. How will the benefit work with the drug coverage I now have?** That will depend on your current coverage. Some drug insurance plans (like retiree plans and State Pharmaceutical Assistance Programs), will supplement your Medicare drug coverage. Call the company that provides your current drug coverage to find out how it will work with the Medicare drug benefit.
- 6. How do I find out about different drug plans?** You can visit www.medicare.gov or call 800-MEDICARE (633-4227).

Have more questions? Visit www.medicarerights.org.

Get Extra Help Paying for Drugs If Your Income Is Low

Will I get help paying for my Medicare drug benefit if my income is low?

You may qualify for extra help with your Medicare drug costs, if your 2005 income is below \$14,355 (\$19,245 for couples) and your resources are less than \$11,500 (\$23,000 for couples).

How do I get extra help paying for my Medicare drug costs?

- If you have Medicaid or a Medicare Savings Program (MSP), or you receive Supplemental Security Income (SSI), you automatically qualify for help—you do not have to apply.
- If you do not have Medicaid, an MSP or SSI, you should apply for help through the Social Security Administration (SSA) using the agency's print or online application (www.ssa.gov).
You should receive an application in the mail between May and August 2005.
- When you submit your application through SSA, you can simply state that your income and assets qualify you; you will not have to provide proof.

You then have to choose a Medicare drug plan through which to get your drug coverage.

What if I have drug coverage through Medicaid?

Your Medicaid drug coverage will end on December 31, 2005. You will get drug coverage through Medicare. You will pay \$1 for each generic drug and \$3 for each brand-name drug. Medicaid may help pay for drugs that your Medicare plan does not cover. You should receive a letter in the fall of 2005 telling you which plan you will be enrolled in if you do not choose one on your own before December 31, 2005. Call 800-MEDICARE to make sure your plan covers the drugs you need and that the pharmacies you use are part of that plan's network. If not, ask the counselor to help you enroll in a Medicare drug plan that does.

What if I have coverage through my state's pharmaceutical assistance program?

If you are enrolled in your state's pharmaceutical assistance program, call your program to find out how it will work with the Medicare drug benefit. Some states will continue to offer coverage as they always have; others will help you fill gaps in your Medicare drug coverage.

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Medicare Drug Benefit: What's Happening and When?

Date	Change
May-August 2005	Applications for extra help mailed to people who may be eligible. Online application for extra help available on www.ssa.gov in July.
Mid-October 2005	* Medicare drug plan comparisons available on www.medicare.gov. * Letters mailed to people who have Medicaid telling them the plan they will be enrolled in if they do not choose one by December 31, 2005.
November 15, 2005	Initial enrollment period for drug benefit (Part D) begins.
January 1, 2006	Medicare drug benefit begins. People with Medicare and Medicaid must get their prescription drugs through Medicare.
May 15, 2006	Initial enrollment period ends. Medicare-approved discount card ends.